



CAPRICORN DISTRICT MUNICIPALITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

General Information

Mayoral committee

Executive Mayor

Councillors

Mpe MJ

Lekganyane NM (Speaker)

Masoga MC (Chief Whip)

Ntsoane MA (MMC : Sports, Arts & Culture)

Boloka, MP (MMC : Finance)

Kgare MB (MMC : Community Services)

Malebana, CWD (MMC : Development Planning & Environmental Management Services)

Mohale MM (MMC : Infrastructure Services)

Masubelele JA (MMC : Strategic Executive Management Services)

Selamolela MS (MMC : Local Economic Development)

Kgatla KE (MMC : Corporate Services)

Masoga PS (Chairperson: Committee of Chairpersons)

Motjopi S (Chairperson: Ethics, Rules & Integrity Committee)

Molepo FJ (Chairperson: Infrastructure Services Portfolio Committee)

Morotoba NL (Chairperson: Community Services Portfolio Committee)

Mothata ML (Chairperson: Strategic Executive Management Services Portfolio Committee)

Phoshoko MS (Chairperson: Finance Portfolio Committee)

Ledwaba PE (Chairperson: Corporate Services Portfolio Committee)

Masekwameng MR (Chairperson: Development Planning and Environmental Management Portfolio Committee)

Makgato, MP (Chairperson: Municipal Public Accounts Committee)

Baloyi RA (Member)

Botha AH (Member)

Chidi RDT (Member)

Dikgale SJ (Member)

Hlangwane KV (Member)

Hopane TE (Member)

Khan N (Member)

Kubheka DO (Member)

Legodi NJ (Member)

Lehong MV (Member)

Mabena KL (Member)

Mahlo NP (Member)

Makgahlela MB (Member)

Maleka ME (Member)

Malema RR (Member)

Mapakela MM (Member)

Mathabatha TP (Member)

Moabelo ML (Member)

Modiba MS (Member)

Modiba MT (Member)

Mogashoa ME (Member)

Molokomme MM (Member)

Mosena DD (Member)

Mothata LS (Member)

Motolla MO (Member)

Phoshoko NC (Member)

Capricorn District Municipality
Financial Statements for the year ended 30 June 2017

General Information

	Rababalela MS (Member)
	Rakimana PT (Member)
	Ramaloko SE (Member)
	Ratau IG (Member)
	Sekgobela M (Member)
	Sesera MC (Member)
	Setjie ND (Member)
	Tsiri MM (Member)
Accounting Officer	Mazibuko Nokuthula (Acting)
Chief Finance Officer (CFO)	Nephawe T (Acting)
Grading of local authority	Category B - Grade 5
Auditors	Auditor - General
Bankers	FNB (Primary bank account)
Registered office	41 Biccard Street Polokwane 0700
Business address	41 Biccard Street Polokwane 0700
Postal address	PO Box 4100 Polokwane 0700
Telephone number	015 294 1000
Fax number	015 291 4297
E-mail address	info@cdm.org.za

Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

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The reports and statements set out below comprise the financial statements presented to the provincial legislature:

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

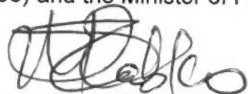
Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

Accounting Officer's Responsibilities and Approval

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2017, as set out in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 18 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act (Act 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.



Mazibuko Nokuthula (Acting)
Municipal Manager

Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016 Restated*
Assets			
Current Assets			
Inventories	4	4,944,382	4,831,455
Receivables from exchange transactions	3	9,239,746	3,422,026
Receivables from non-exchange transactions	42	-	66,348,786
VAT receivable	6	20,479,289	39,749,755
Prepayments	5	4,881,275	2,852,980
Consumer debtors	15	49,337,408	45,821,313
Cash and cash equivalents	2	246,627,348	205,551,025
		335,509,448	368,577,340
Non-Current Assets			
Property, plant and equipment	7	2,084,498,091	2,116,704,629
Intangible assets	8	11,624,829	15,207,114
		2,096,122,920	2,131,911,743
Total Assets		2,431,632,368	2,500,489,083
Liabilities			
Current Liabilities			
Finance lease obligation	13	64,982	1,370,528
Operating lease liability	14	288,159	253,767
Payables from exchange transactions	10	172,959,581	219,122,490
Unspent conditional grants and receipts	12	1,347,320	7,575,001
Provisions	11	11,870,916	10,794,463
		186,530,958	239,116,249
Non-Current Liabilities			
Finance lease obligation	13	14,115	79,097
Provisions	11	29,040,301	29,418,817
		29,054,416	29,497,914
Total Liabilities		215,585,374	268,614,163
Net Assets		2,216,046,994	2,231,874,920
Accumulated surplus		2,216,032,973	2,231,874,920

* See Note 39

Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	43	61,396,430	58,327,844
Other income	45	692,925	1,739,266
Interest received - external investment	47	25,367,411	23,258,349
Interest earned -outstanding receivables	47	7,838,453	1,839,079
Total revenue from exchange transactions		95,295,219	85,164,538
Revenue from non-exchange transactions			
Other income		3,997,788	-
Transfer revenue			
Government grants & subsidies	44	839,491,898	873,052,878
Total revenue from non-exchange transactions		843,489,686	873,052,878
Total revenue	16	938,784,905	958,217,416
Expenditure			
Employee related costs	17	(252,280,528)	(246,030,228)
Remuneration of councillors	18	(12,241,850)	(11,729,225)
Depreciation and amortisation	20	(55,181,712)	(57,134,175)
Finance costs	22	(991,725)	(273,334)
Bad debts written off	46	(5,161,350)	-
Commission paid		(20,524,928)	(27,531,701)
Repairs and maintenance		(31,519,328)	(41,294,446)
Bulk purchases	23	(47,965,290)	(46,808,766)
Transfers and Subsidies	24	(1,600,000)	-
Transitional costs		(9,293,752)	-
Derecognition of assets		(30,968,200)	(15,274,549)
General Expenses	34	(150,461,183)	(179,289,426)
Debt Impairment	46	(49,295,804)	(32,635,222)
Total expenditure		(667,485,650)	(658,001,072)
Operating surplus		271,299,255	300,216,344
Loss on disposal of assets and liabilities		(290,849,426)	(463,788)
Impairment loss		(765,983)	(2,447,232)
Loss on actuarial adjustment	9	(687,139)	(1,397,053)
		(292,302,548)	(4,308,073)
Surplus/(Deficit) for the period		(21,003,293)	295,908,271

* See Note 39

Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	1,935,841,665	1,935,841,665
Adjustments		
Prior year adjustments	124,984	124,984
Balance at 01 July 2015	1,935,966,649	1,935,966,649
Changes in net assets		
Surplus for the year	295,908,271	295,908,271
Total changes	295,908,271	295,908,271
Restated* Balance at 01 July 2016	2,231,874,915	2,231,874,915
Changes in net assets		
Deficit for the period	(15,841,942)	(15,841,942)
Total changes	(15,841,942)	(15,841,942)
Balance at 30 June 2017	2,216,032,973	2,216,032,973

* See Note 39

Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

Cash Flow Statement

Figures in Rand

	Note(s)	2017	2016 Restated*
Cash flows from operating activities			
Receipts			
Income received from service charges and other income		20,701,907	22,392,449
Grants		899,613,000	801,785,000
Interest received- external investments		25,367,411	23,258,349
Interest earned -outstanding receivables		7,838,453	1,839,079
		953,520,771	849,274,877
Payments			
Employee costs		(268,807,292)	(255,646,895)
Suppliers		(304,473,773)	(209,195,204)
Finance costs		(991,725)	(273,334)
		(574,272,790)	(465,115,433)
Net cash flows from operating activities	27	379,247,981	384,159,444
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(342,203,354)	(415,443,842)
Proceeds from sale of property, plant and equipment	7	293,498	261,424
Purchase of other intangible assets	8	(505,483)	(912,573)
Net cash flows from investing activities		(342,415,339)	(416,094,991)
Cash flows from financing activities			
Finance lease payments		(1,370,528)	(1,684,941)
Net increase/(decrease) in cash and cash equivalents		35,462,114	(33,620,488)
Cash and cash equivalents at the beginning of the year		205,551,025	238,328,411
Cash and cash equivalents at the end of the year	2	241,013,139	204,707,923

* See Note 39

Capricorn District Municipality

Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	57,659,000	-	57,659,000	61,396,430	3,737,430	
Other income	945,000	-	945,000	692,925	(252,075)	
Interest received - external investment	22,694,000	-	22,694,000	25,367,411	2,673,411	
Interest earned -outstanding receivables	-	-	-	7,838,453	7,838,453	
Total revenue from exchange transactions	81,298,000	-	81,298,000	95,295,219	13,997,219	
Revenue from non-exchange transactions						
Other income	-	-	-	3,997,788	3,997,788	
Transfer revenue						
Government grants & subsidies	876,841,000	61,983,535	938,824,535	839,491,898	(99,332,637)	
Total revenue from non-exchange transactions	876,841,000	61,983,535	938,824,535	843,489,686	(95,334,849)	
Total revenue	958,139,000	61,983,535	1,020,122,535	938,784,905	(81,337,630)	
Expenditure						
Personnel	(278,377,024)	14,953,000	(263,424,024)	(252,280,528)	11,143,496	
Remuneration of councillors	(13,921,000)	-	(13,921,000)	(12,241,850)	1,679,150	
Depreciation and amortisation	(69,479,000)	18,600,000	(50,879,000)	(55,181,712)	(4,302,712)	
Finance costs	(475,000)	-	(475,000)	(991,725)	(516,725)	
Debt impairment	(51,893,000)	-	(51,893,000)	(49,295,804)	2,597,196	
Commission paid	-	-	-	(5,161,350)	(5,161,350)	
Commission paid	(17,298,000)	-	(17,298,000)	(20,524,928)	(3,226,928)	
Repairs and maintenance	(43,271,976)	899,254	(42,372,722)	(31,519,328)	10,853,394	
Bulk purchases	(50,400,000)	-	(50,400,000)	(47,965,290)	2,434,710	
Transfers and Subsidies	(1,850,000)	-	(1,850,000)	(1,600,000)	250,000	
Transitional costs	-	-	-	(9,293,752)	(9,293,752)	
Derecognition of assets	-	-	-	(30,968,200)	(30,968,200)	
General Expenses	(213,697,000)	(28,507,393)	(242,204,393)	(145,299,832)	96,904,561	
Total expenditure	(740,662,000)	5,944,861	(734,717,139)	(662,324,299)	72,392,840	
Operating surplus	217,477,000	67,928,396	285,405,396	276,460,606	(8,944,790)	
Loss on disposal of assets and liabilities	-	-	-	(290,849,426)	(290,849,426)	
(Impairment loss)/Reversal of impairment loss	-	-	-	(765,983)	(765,983)	
Actuarial gains/losses	-	-	-	(687,139)	(687,139)	
	-	-	-	(292,302,548)	(292,302,548)	
Surplus for the year	217,477,000	67,928,396	285,405,396	(15,841,942)	(301,247,338)	